



JOINT LEGISLATIVE TRANSPORTATION OVERSIGHT COMMITTEE

September 10, 2013

Room 1228/1327 of the Legislative Building

The Joint Legislative Transportation Oversight Committee met on Tuesday, September 10, 2013 at 9:00 AM - 4:00 PM. The meeting was held in Room 1228/1327 of the Legislative Building. Members present were:

Senators

Sen. Kathy Harrington, Chair
Sen. Bill Rabon
Sen. Ralph Hise
Sen. Joel Ford
Sen. Rick Gunn
Sen. Neal Hunt
Sen. Wesley Meredith

Representatives

Rep. John Torbett, Co-Chair
Rep. Frank Iler, Co-Chair
Rep. William Brawley
Rep. Becky Carney
Rep. Rayne Brown
Rep. Paul Tine
Rep. Charles Jeter
Rep. Nelson Dollar
Rep. Chuck McGrady
Rep. Rodney Moore
Rep. Phil Shepard

The following staff members were present: Wendy Graf Ray (Research), Giles Perry (Research), Karlynn O'Shaughnessy (Research), Bryce Ball (Fiscal Research), Anna Cameron (Fiscal Research), Robb Jansen (Committee Clerk), and Viddia Torbett (Committee Clerk).

Sen. Kathy Harrington, chair, presided.

At 9:00 a.m., Sen. Harrington called the meeting to order and thanked all members, staff, and guests for being present. Co-chair Rep. Torbett echoed her remarks. Rep. Iler also expressed his appreciation to the staff for their hard work.

Overview of Strategic Transportation Investments

Giles Perry, Committee Counsel

Mr. Perry provided a basic overview of House Bill 817.

Questions:



Rep. Iler: Just a comment, back on the Division needs, it was stated that there's 30% local input, I believe that's 50%, is that correct? Maybe it's a typo.

Sen. Harrington: Thank you.

Sen. Hunt: On the 9 occupied toll projects, are the partnerships included under those 9?

Mr. Perry: Yes.

Implementation Overview

Jim Trogon, Chief Deputy Secretary of Operations at NCDOT

Mr. Trogon provided a brief overview of how implementation of the new transportation law is being carried out within NCDOT.

Sen. Harrington took a moment to thank Rep. Brawley for his hard work in developing this bill.

Sen. Harrington then introduced David Wasserman, and asked members to hold their questions until the end of his presentation.

BOT-Approved Highway Quantitative Scoring Criteria

David Wasserman, Senior Engineer with the Strategic Prioritization Office at NCDOT

Mr. Wasserman provided an overview of quantitative scoring criteria used in prioritizing projects as approved by the Board of Transportation.

Questions:

Rep. Jeter: On slide 11, going to R-22-48E, you have an existing volume of 117,000; as my son plays soccer across that and it's actually a dirt road, how can you have data on a road that actually doesn't exist.

Mr. Wasserman: Excellent question. We don't fabricate those numbers, I can assure you of that.

Rep. Jeter: I'm not suggesting you do. It's just that I'm down there every week, and I can tell you that there are not 117,000 cars going down that dirt path.

Mr. Wasserman: That's a new location, so we don't have an existing traffic count. We used the parallel route method, for that particular project, we were using traffic volumes from I-85 and I-77.

Rep. Jeter: What do you think will be diverted if that road is completed?

Mr. Wasserman: Not necessarily, what's that project helping to relieve?



Rep. Jeter: On slide 18, you made the comment that we don't use the theory "if we build it, they will come." But on slide 19, regarding the Goldsboro bypass, because it's rural and in Goldsboro, it stands a better chance at achieving economic development. That sounds contradictory.

Mr. Wasserman: We don't account for prospective or contingent development; this takes into account the existing industries that are out there today, and using Moody's analytics, it forecasts what the desires and needs and potential expansion of existing industries in that area will be. In other words, if there's an existing industry in that area, the project is going to result in some travel times savings, and so current industries can get their products to market.

Sen. Rabon: It would be helpful go to example projects, and take the first project in each example, and ask the department to please use the formula, plugging in the numbers so we can see how these are extrapolated, it doesn't come out on my calculator as it comes out on the page, so I'm misusing the formula. If we take a few projects, show how the arithmetic is done, then apply that to any project anywhere and understand how we arrive.

Sen. Harrington: You're requesting for DOT to go through those examples?

Sen. Rabon: Yes.

Sen. Harrington: Staff, will you begin that list?

Rep. Shepard: Back on page 7, you mention that divisions 1,2,3 and 4 were going to use a different formula. Why is that?

Sen. Harrington: That will be handled in the next presentation.

Rep. Iler: I heard a comment on slide 7 about division rank and MPO/RPO rank, how it was evenly divided, and the bill which is now session law, on page 4, it lists all three separately, so the evenly divided to me would be at least 33%, instead of 50/50. So, how was that arrived at?

Sen. Harrington: My understanding from staff is that will be addressed during the afternoon portion.

Rep. Torbett: My question is about rationale... I understand the connection between work centers and outlying areas, but knowing that the process of building a road is a long one, it takes years and years. Was there any rationale given to will that be a social factor across the state where we are now pushing or propelling those people who are living in the rural areas to large metropolitan areas, for jobs? Is there any rationale for that? We may be changing the whole structure of the state.

Sen. Harrington: Mr. Trogdon?



Mr. Trogon: Will you please re-state your question?

Rep. Torbett: North Carolina has been known as a manufacturing hub, and was the foundation of the area. That is not the case as it used to be. More people are migrated from small centers to find work. We're talking about assisting with that by decreasing the amount of time it takes to do that. In doing so, are we propelling that migration?

Mr. Trogon: In some parts of the state, that's happening now, and so that's one of the biggest drivers of the congestion on our existing network. In some parts of the state, it's not happening as much, because those populations are dwindling, so people aren't commuting to work, they're just moving. On a statewide level, we'd have a list of criteria, but some individuals areas need their own criteria to respond to our demographic demands, and that doesn't dictate to another that needs a different solution. People will vote with their feet; do I want to commute or move?

Sen. Hise: On page 14, safety criteria; can you give us a detailed explanation what is considered the crash severity index, and crash frequencies? We're limiting safety to 10% of formula coming in, so it's important to see how those are calculated. The other concern I have is that nothing I'm seeing here other than things that are not yet considered, looks at the current condition of the road or the project; we have things like, lane width, pavement condition, that weren't really considered in there, but there comes a time in life cycles when it's time to do something different, and there's significant savings associated with doing that now. We know it's going to deteriorate quickly in the future. Everything else in the formula is just kind of looking at new roads, new things, nothing's looking at I-40 now, what is the condition of that, and why we need to replace it.

Mr. Wasserman: Those projects are typically handled out of the Highway Fund. There's a whole other prioritization process and funds for maintenance. The lane width and shoulder width are criteria that some regions opted to include them.

Sen. Hise: The other concept is access and connectivity. The beginning issue is what is defined as rural? When you're talking about municipalities up to 20,000 people, that's not really a rural area. Definition of rural is probably not based on municipalities.

Mr. Wasserman: That's a struggle that the work group faced. That's why we couldn't reach consensus. We just want people to be able to get to job centers.

Sen. Hise: Couldn't you just say if you're 20 minutes away from a job center, does that count as rural?

Mr. Wasserman: It would be all roadways outside of a 20 minute drive time from a job center. I'm happy to show you a map if you'd like to see that.



Sen. Meredith: If there are current projects in the pipeline and developers or municipalities are willing to add to the pot, will those projects be reconsidered, or are they already slated to move up?

Jim Trogdon: If it's already programmed in a time period, it doesn't have to be reprioritized, if they can bring money to the table to accelerate it, that is a possibility already in statute. And it doesn't have to be re-evaluated.

Rep. Tine: I know we have another presentation, but to make sure I understand, the statewide projects would still use the same criteria for state-wide projects?

Mr. Wasserman: That is correct.

Rep. Tine: Contingence development is at the core of rural economic development; we don't have existing economic centers and the only way to develop them is by investing in infrastructure that allows them to expand and create it; why was it eliminated as a provision of that particular segment, and how do you think that might be offset inside the other parts of the formula?

Mr. Wasserman: We didn't consider it because there are too many unknowns; we asked our division engineers out there, how many times have you heard, if we build this road, you'll see economic development? Only about a 50% success rate. Not every area in the state has the same zoning. But we want to help those rural areas, if you look at the percentage change in the economy, we think that will help the rural areas a lot with these types of projects.

Rep. Tine: A lot of these points are subjective data points based on projections from a 3rd party source with respect to cost/benefit analyses; a lot of those are projections based on assumptions; I don't see a whole lot of difference in trying to develop some data points or projections into the future based on 20%, how do you quantify that? I mean, it sounds like it might be a quantifiable number. Just a comment.

Sen. Rabon: I'd like to see, in your opinion, do you approve of these weights? (to Mr. Wasserman)

Mr. Wasserman: These criterion weights have previously been used in prior versions of prioritizations, they're well accepted and well understood, and developed and recommended by the work group, so as a Department employee, I support them.

Rep. Carney: I wanted to go to accessibility connectivity; did you talk about bus connections between rural and heavily populated areas? Was there any discussion in the work group about that? That's what's in the future.

Sen. Harrington: We will have some other presentations about that.



Mr. Wasserman: This was really just about highways.

Sen. Rabon: Population rural versus urban keeps coming up, and maybe we're making things too simple, and population might be weighted a little too heavily; goes without saying that the more people you have, the more transportation needs you have, but if you're talking about roads, then that's not necessarily the case; a portion of that population uses alternative methods to travel, maybe we focus too much on population as a single factor here sometimes. That's a comment, not a question.

Rep. Brawley: We reference Tredis as a model for predicting economic activity; has it been applied to previous projects at the time those projects were authorized to come up with predictions based on projects that have been completed and we know the outcomes, to add validity to the model?

Sen. Harrington enlisted Brian Alstadt, from Economic Development Research Group, to answer Rep. Brawley's question.

Mr. Alstadt: It is calibrated 3 ways. One is through statistical relationships between behaviors and outcomes we can observe in real time. There can be a long lag between when a project is built and when the actual results of the project come to fruition; so you do your best to do the calibration, which we have done that; look at historical trends, look at outcomes, not just with highways but across a broad range of modes in urban and rural, and I can provide more information about how we use that in our calibration.

Rep. Brawley: The reason for creating the statewide pool is in situations like US 74 in Anson County, which is losing population and hurting economically; they are actually further from Charlotte than people in Hickory. US 74 doesn't take people to Charlotte fast enough. The idea of connectivity was to measure those kinds of things. I know you couldn't come to a consensus, a different approach is needed because the idea of a useful road going from an urban area into rural areas needs to be part of the calculus. Otherwise, our data will still support things like US 49 between Charlotte and Asheboro. If it was four lanes the whole way, it would open up that area. We need to open up the issue of accessibility and connectivity, because that's the key factor in this bill passing, is the fact that we were going to go after that in a good way.

Rep. Torbett: Since there's no criteria to develop a mass transit type system, short of municipalities, we maybe should be working at critical mass levels; you build the pathway, so at a certain critical mass of population, you start planning, so that once the population reaches the next critical step, so you can implement quickly and have funding sources. There's nothing at the state level that I'm aware of that dictates that.

Sen. Harrington introduced Alpesh Patel and Patrick Flanagan for the next presentation.



Alternate Highway Quantitative Scoring Criteria

Alpesh Patel, Senior Engineer at the Strategic Prioritization Office at NCDOT

Patrick Flanagan, President, NC Association of RPOs

Mr. Patel and Mr. Flanagan gave the committee an overview of scoring projects for prioritization under the Strategic Transportation Investments.

Questions:

Sen. Hise: I really do understand the regions are different, but I look at some of the projects, and statewide projects are often scored on the local, regional, and statewide level. Does changing this criteria – if you have a statewide project that's funded at the regional level – does this make these regions less likely to participate in something that is a statewide project in favor of local projects?

Mr. Patel: It's difficult to say based on these alternative criteria. We're simply trying to offer the flexibility to determine exactly what the needs are in the East; we're going to open a 30-day window in which planning organizations in the state will send us their new priority projects; we're also going to have to rescore several highway projects using the new data. There's simply not enough data right now to give you a factual answer.

Sen. Hise: The likelihood of you participating in these divisions is different in these divisions as opposed to other divisions.

Mr. Patel: Yes, some will be tailored more specifically to the East.

Rep. Dollar: What are you really trying to do? Of course it's understandable, with the military. What are you trying to do differently where the pavement meets the dirt? What are you trying to achieve there?

Mr. Flanagan: The main thing we were trying to achieve by changing these formulas is for regional projects that get built with regional money; we wanted to build divisional projects with divisional money, which is why we tried to change the formula and were successful in doing that.

Rep. Dollar: Can you give some examples under this alternative that you would be able to do that would be more problematic under the other?

Mr. Flanagan: I don't have any specific examples, we came up with these formulas based on philosophy, based on what we knew of how the formulas were created and what numbers they measure.



Rep. Dollar: But you don't have any examples of what you are seeking to achieve on a more general level?

Mr. Flanagan: Division 2 and 3 recognize Military and Global Transpark as being very important, so we wanted to make multimodal more of a factor; Division 1 is very rural, so they wanted to focus on lane width and shoulder width that will help their projects get built, but still had to negotiate with the Raleigh area because they're in the same funding regions, so that's why there's that balance in the formula.

Rep Tine: To follow up on this discussion, did I understand you correctly that one of your concerns for this region was that as a big project eligible on a statewide level fell down into the regional bucket, It would eat up a majority of the money that might be available and therefore you were trying to create a formula that would focus on smaller projects.

Mr. Flanagan: That's correct.

Sen. Hise: Whether it would or not, but the intent was to make these regions less likely to fund statewide projects instead of their regional projects, and that's exactly why I think this is a bad idea. Regions shouldn't have different criteria so they can manipulate those, so that statewide projects under those levels don't have to fund their portion, to complete those projects, they can raise their priority and get them completed; I think this is a mistake in letting this go, I think the intent was there needs to be a standard procedure statewide coming forward, and it looks like we stepped away from that.

Mr. Flanagan: Let me be clear: this doesn't mean that we're not going to look at statewide projects if they fall down to a regional or divisional tier; our aim was to have the option to compare those against each other and it's not a given that the statewide project will get built. We don't want to be giving all statewide projects that drop down getting built. We want to also service some of the smaller areas and make sure they're getting projects as well.

Sen. Hise: Isn't that the intent of the bill, to give it to the MPOs and RPOs to get it outside the formula?

Mr. Patel: That is true, that is the intent, to use 30% and 50% respectively to account for those priorities. But with the technology we have to service an ability to showcase projects that could perform well and that would be reflective of the military presence in the eastern part of the state, and the deficient 2-lane roads with high accident rates have not been addressed due to lack of funding in the past. This is an opportunity to ensure a stronger and more equal footing in addressing issues in smaller communities an addressing statewide needs that are important to all of us.

Rep. Brawley: I want to clarify my understanding. These different criteria are the 70% state and the 50% criteria, so we essentially have local people who will define state and local criteria, and will have a greater say over state funding in their area than in any other area of the state. So, I'm



already hearing from Rep. Carney about how she's going to want to make changes to reflect her priorities down there. Secondly, you realize this means that if you're not putting money into the statewide project, I-95 won't be improved anywhere near as quickly, unless you start grading projects in other parts of the state; one of the intents of the bill was to eliminate the East-West-Central war. So, with all due respect, I think you've raised some very serious concerns outside your area, as this is almost an attempt to gut the bill. This would be a catfish amendment and we'd vote it down.

Rep. Iler: The difference in the normal criteria for statewide on page 2 and the changes on pages 4-5, the statewide mobility is exactly the same. I don't see any changes. Does that satisfy concerns?

Rep. Brawley: What I'm saying is that state DOT is using one set of criteria for 70% of regional projects statewide and 50% of the regional projects statewide, and 30% on the local. My concern here is with the express intent of changing the criteria so that statewide projects don't move down into regional and district, when the intent of them being able to move down is part of the state funding model statewide to begin with, so what this is actually saying is that in the eastern part of the state, they want to be able to exempt more money from supporting statewide projects and make it available for regional and district, then we'll still have the same amount of pressure on statewide money for those projects and that will distort the funding. The whole idea of having a criterion that's fair and balanced across the state is being changed by this, unless we're going to just say from a statewide perspective, statewide projects are only funded statewide and don't creep down into the lower levels.

Sen. Harrington: Staff has noted this as a committee concern.

Sen. Harrington introduced the next speaker, Bobby Walston, Director of Airports for NCDOT.

BOT-Approved Aviation Quantitative Scoring Criteria

Bobby Walston, Director of Airports, NCDOT

Mr. Walston gave the committee an overview of quantitative scoring criteria as it relates to the implementation of Strategic Transportation Investments for airports.

Questions:

Rep. Dollar: Looking at page 21, the land for the runway protection at the division level, was scored higher based on the maximum number of points within the division, than the tax extension within its category; is that a correct assessment?

Mr. Walston: Yes, we place in our system a lot of value in that land and the airport having control or ownership of that property at the end of the runway.



Rep. Dollar: Is there any in the cost factor, and I don't know if you've been involved in pavement treatment for these kinds of projects, but if so, in developing those cost factors, have you factored in what a particular pavement treatment might mean in the future in terms of when you'd have to go back to repave or resurface? Does that factor in?

Mr. Walston: Pavement would be more on the Highway Fund side, or the maintenance side; we go in several times over the life of that pavement and insert maintenance steps to extend its life. So we definitely consider extending that life as far as we can.

Rep. Tine: This is the second time I've seen the local investment index used, we had it in the other formula as well, it seems that those communities that have money will get scored higher, and those places with less money will continue to get less. Is there a way to help communities that don't have as much money available and weighing that into the formula so that there will be more consideration to rural, poorer areas? I don't see how rural communities will be able to play in the statewide funding formula at all.

Mr. Walston: My comment there is that you will see our weighting on that is very low, 5% of those in the division needs, so when you're really talking about 10 points times 5%, then it's a very minor shift, in the case of the user benefit demand, especially between close projects. So it's impact is actually very small.

Mr. Richard Walls, Director of Aviation for NCDOT responds – Other communities bring their money to the table, which broadens the pot, so some money will come back to you; plus, each airport gets 150,000 from the feds. So that money can be counted among the local investments.

Sen. Harrington introduced the next presenter.

BOT Approved Bicycle and Pedestrian Quantitative Scoring Criteria

Laura Blackburn, Director of Division of Bicycle and Pedestrian Transportation

Ms. Blackburn gave the committee an overview of quantitative scoring criteria as it relates to the implementation of Strategic Transportation Investments and bicycle and pedestrian transportation.

Questions:

Sen. Rabon: How do you determine crash rates and speed limits for projects with an on-road alternative?

Ms. Blackburn: A greenway, being a multi-use path, is not on a roadway itself, so we identify the closest alternative route, on road, and if there are crashes that have been reported, or the posted speed limit that is already on that existing facility, so we use the points for that alternative on-road facility.



Sen. Rabon: There are points and percentages, can we see how many crashes have occurred? Safety is the biggest concern I have with Bike/Ped. Is that data available?

Ms. Blackburn: Yes sir. We have a crash database that has been indev for several years. In fact, North Carolina is the only state that GO-codes those crashes, we use a 5-year track record for those crashes along a particular corridor, that's how those points are identified.

Rep. Jeter: On slide 4, I served for 7 years in city government; the idea that bike/ped funds can come from Powell Bill is a great deficiency in our system and methodology. Town of Huntersville, where I served for 7 years, Powell Bill funds are mostly used for repaving existing roadways; it would take 35 years under current funding levels to repave all the roads. To divert those funds to bike/ped is a significant problem that will hurt our communities. Can you provide me with how much Powell Bill is utilized in Bike Ped, obviously I understand you can't provide that today, how much Powell Bill money has been utilized in Bike/Ped projects over some period of time?

Ms. Blackburn: This is a new provision in the law as I understand it. In the past, communities have had the option to use Powell Bill money to build things like sidewalks, so I don't have that number. It was an option for them to use it as a state match for federal funding.

Sen. Harrington: I'm going to ask Research to weigh in on that.

Amna Cameron: This law just recently went into effect, so it would have to be the end of this fiscal year before that information is available. We can put this on the list to track for you.

Rep. Dollar: My question is on criteria of access; in our area, we have lots of greenways and bike paths, sometimes a 2 mile stretch that may seem to be in the middle of nowhere, but it actually creates a 20-25-mile connection. I was a little concerned about connectivity not being the criteria. When you think back when you were in the process of weighing access, it's just not clear.

Ms. Blackburn: There's no limit on how far out a project can be from a chosen destination, we try to identify projects that have the most immediate impact on important destinations. So, those are cases where those projects could be submitted under this criteria.

Sen. Harrington: Does that answer your question, Rep. Dollar?

Rep. Dollar: I guess we'll have to find out what gets approved and what doesn't get approved. Just a quick comment; in our area, we have tremendous investment, but we have areas with relatively small connections that could be combined, if you connect them, then you literally have 20-30 miles worth of connection.

Sen. Harrington: Thank you for your comment.



Sen. Hise: One of the things it says is that a project must have been specifically identified, and we're saying the project has to be over \$100,000. Do we know how limited we've made this pool of communities who are eligible? Do we know how many communities actually have a bike plan? Because they've got to have one to be eligible.

Ms. Blackburn: We do to a degree. The state has also been managing a planning program for a number of years, we have about 140 plans that have been locally adopted for bicycle and pedestrian plans, but I can't speak to all those plans that were run under different processes, so I don't have an accurate number for how many plans that have been adopted.

Sen. Hise: So you think with that, it'd be about 140 communities that could apply for this?

Sen. Harrington: We'll have Research add that to the list of questions that we need answers to.

Sen. Harrington introduced the next presenter.

BOT Approved Ferry Quantitative Scoring Criteria

Barry Sterling Baker, Highway Division I Maintenance Engineer

Mr. Baker gave the committee an overview of quantitative scoring criteria as it relates to the implementation of Strategic Transportation Investments and ferries.

Sen. Hise: My question is, as we go through this criteria, most of it kind of seems to be an evaluation of a port, an evaluation of where it's located, and not the project that's being proposed. If Southport and Cape Hatteras both need to replace a ferry, it looks to me like you're going to make this decision based on who uses which ferry most, not which one reduces capacity, changes capacity, just based on what capacity's there. If you're replacing it with the exact same-size ship at the exact same time, wouldn't you make that more on the basis of the condition of the current ship, what this capacity matters. That's a big part of the formula.

Mr. Baker: You're right, sir, although I must remind you that capacity can only be used for regional ratings, vessel replacement can only be individual needs category, so it is not a criteria.

Rep. Tine: If I'm understanding things correctly, the regional bucket is based off of population; division is a straight divide by all the divisions. How much money is in the divisional pot, and then what would be a ferry replacement cost?

Mr. Baker: As I understand it now, the divisional numbers are going to be somewhere around \$35 million per division. The sound class is around \$16-17 million for replacement, and the river class is around \$13 million.

Sen. Rabon: You're using prioritized savings for a route, and that's derived from the traffic count. Do you feel that is fair, because folks, instead of using the Minnescot, are benefiting from



the travel times – they’re going to and from work. But the snowbirds, that are using some of the ones on the outer banks don’t care if it takes them all day or 15 minutes, there no benefit to them saving time. So this may not be a great way of deriving benefit cost, as to where you’re going or why you want to get there.

Mr. Baker: Yes sir, you’re correct; that’s a very good question. The nature of the ferry routes differ so much. They’re either more for locals to go back and forth to work, or tourist oriented, so it was very hard to come up with a parative analysis for everything that compared apples to apples; so this was our first attempt. I will admit there that this is one of the criteria that we have noted has room for improvement in SPOT 4.0 and think we can improve on that pretty good.

Sen. Rabon: And I have a question and a comment. A vehicle left behind. Is that done seasonally? That would be good to know. And number two on that, or as a follow-up if I may, does the ferry limit certain vehicles on certain routes during certain months; in other words, is service allowed to go on any route at any time, holding up commuters who may be commuting to and from work? Or are they staggered, so that larger vehicles don’t clog up the whole ferry.

Mr. Baker: You’re right, and you’ve also found our second category that needs room for improvement in 4.0. Basically we’re counting now the vehicles left in the queue, our hope and our whole goal is to make that a measure of the wait time above the intervals in between the ferries. With that, in regards to vehicles, there’s no limiting, they do use some strategy as far as placement of the vehicles. There are limiting when you have gas trucks, propane trucks, and things of that nature, and school buses.

Rep. Tine: Follow up on the slide, the travel time; tourism, as an industry, provides jobs, they may not have to travel across to get to their jobs, but they do have to, in some of these cases, travel across to get health care, educational opportunities, things like that, but the travel time greatly affects the economic impact. For example, the Hatteras-Ocracoke Inlet had several issues over this last spring period, usually a heavy traffic time, day-trippers coming down and using that fell off a great deal during that time because they were going a longer route that created a lot more time to get there. So, while I completely understand your concern that there’s constant going back and forth for some commuters which some of these ferries support, the alternate concern is the longer you make the routes, the longer you make the wait time, all those types of things, the less economic impact you’re going to have to those areas because workers aren’t going to use it.

Rep. Torbett: Just a follow-up to Senator Rabon, I think we need to drill down on that truck information a bit further.

Senator Harrington introduced the next speaker.

BOT Approved Public Transportation Quantitative Scoring Criteria

Cheryl Leonard, Public Transportation



Ms. Leonard gave the committee an overview of quantitative scoring criteria as it relates to the implementation of Strategic Transportation Investments and public transportation.

Sen. Rabon: I could not see how, I'd like for you to explain, economic development and benefit cost can outweigh (background coughs interrupt audio) congestion, and number two on that question, thinking about economic development, keep its head above water without drowning, so we add points for every thousand new employees, add a point for every 500 in population, then that doesn't add up. I'd like to know how we arrived at those figures.

Ms. Leonard: Can you please rephrase or clarify that?

Sen. Rabon: I cannot see how economic development, which is a nebulous term, as you're guessing what's going to happen can outweigh cost effectiveness, can outweigh congestion, as these are things you can measure. And when you look at this last one, at the last example, cost effectiveness is zero against zero, congestion is fifteen, but here you get zero; however, economic development, which you really can't measure, saying you want it gets a 10. The thing we should be looking at, cost effectiveness, can be measured, cost effectiveness, congestion at least, is transportation business, we're getting zero, yet we're funding projects at a criteria that is really not the job of transportation. It is the job of another entity. Not pro or con, just doesn't make sense.

Ms. Leonard: Senator Rabon, thank you for that question. We know there are going to be some, I think, glaring attributes to many of these criteria, we really ought to, at this point, get a project in and start looking at that more to see how that is going to go. The formula is basically, for example, cost effectiveness, you get a zero would indicate that they are not charging for sample more, they're connecting more. We know that some of these criteria in the formula itself may change and at this point may come through, so what I'd like to do, if I could suggest, is do what the highway side is going to do early this morning and print out some good clean projects for you to look at.

Sen. Rabon: I have another concern that goes back to cost-benefit again regarding incentives for hybrids. \$65-75,000 per car – know what I think of it as a business person? If the taxpayer is given an incentive, \$65-75,000 per car, then that is a burden on the backs of the taxpayers. My question is what is the incentive to the taxpayer to (indistinguishable) of fees on that bus going to go up? Or is this another hole?

Ms. Leonard: We actually have several transit systems that have explored that option and looking at their cost-effectiveness, coming to the table for us, we do see discrepancies on both sides of that, whether it will be a good benefit 15 years from now or 20 years from now, but may not be initially. The question is do we encourage them, or provide technical expertise to them, to increase their rank, which would mean that they in themselves, the systems, probably would have to support more if they weren't going to increase that rank, or if they were going to increase the rank, knowing that coming to the state for that money is probably not going to be as



advantageous because of the limit amount and the competition we are now engaging in. So because the hybrid would be a new opportunity and certainly part of the STI process.

Sen. Hise: Follow-up on that. It says that the efficiency benefits for hybrid vehicles and all that – do you adjust the projected cost of the vehicle to the state? Most of these trips that are funded by local governments or funded by the Department of Health and Human Services when we are reimbursed for Medicaid visits for individuals, I'm not aware that there's a reduced charge to Medicaid for riding in a fuel-efficient vehicle. We pay the same amount to that system per trip regardless. I think if we're going to look at the benefit cost, then you can look at the cost of driving those trips in the current vehicles and the cost it would be in a new vehicle, and what the savings may be to local government entities predominantly, or what would be the state response. I think this whole concept of picking hybrids out individually and putting some kind of \$65,000 amount on a hybrid, I think that's a mistake, it also misses the point that 2-3 miles per gallon can make a difference in trucks and vans that are similar in cost; if we want to incorporate that, we can incorporate that. But I think kind of moving to this level with personal vehicles, I have yet to see a hybrid in a 5-7 year that you can cost out; we're just saying all of the cost savings are applied to vehicle cost.

Ms. Leonard: And I would make a comment that was a very lengthy discussion in the working group. There seems to be an interest with some that are wanting to compete for that, so I guess that at the end of the day we'll be looking at those formulas and looking at how they play out and how that is hopefully not going to be a drain or a cost to the state, but we know too, as we move forward, that there will be nuances like this that we'll need to consider and that we'll be reflecting in the prioritization form.

Rep. Tine: We have several different formulas which compete inside the division – roadways, bridges, ferries, public transportation, aviation, bicycle and pedestrian – they are all rated against other similar types of projects, they all float to the regional or divisional level; how do you then decide which one – ya know, are we doing a bike path, or an aviation project, or doing a bridge? How does it then coalesce at the end?

Mr. Trogon: Excellent question, and probably one of the most difficult things we've had to handle. And you will see a presentation on that that's called Normalization, but we believe that's an interim strategy, and we're working on a longer-term strategy, with our statewide travel demand model and with the economic tools to try to provide. We want to be able to do a statewide travel impact and economic impact on every single project that we look at.

Senator Harrington adjourns the committee for an hour break at 12:00 p.m.

Senator Harrington calls the meeting to order at 1:00 p.m.

Senator Harrington reminds committee members to turn in reimbursement forms to their respective clerk, and thanks committee members for their patience and knowledge.



Senator Harrington introduces the next speaker.

BOT Approved Rail Quantitative Scoring Criteria

Paul Worley, President, Rail Division

Mr. Worley gave the committee an overview of quantitative scoring criteria as it relates to the implementation of Strategic Transportation Investments and rail.

Rep. Jeter: On slide 10, under the second hash mark under scoring, you say for at grade improvement multiplied by .5. Is there a variance there? My question is, can it be .4? Can it be .3? And if it's only .5, is there some benchmark they have to meet? Because at grade improvement can be pretty subjective if we a flat .5 increase.

Mr. Worley: Rep. Jeter, what we have done here in looking at this is we have a full score for a grade separation in completely removing the crossing. But as we've upgrading the crossing, and left it in place, we've gone with a half a score; that's how that particular formula works. We've stayed with a half a score. There are different types of improvements that you can make, but as a state we want to make sure we are adequately treating that safety, that crossing, based on the engineers' judgement. So, that's why we go with that standard half score on that.

Sen. Ford: Sir, if you could bring a little clarity on the examples that you used on slides 14-18, I believe. Benefit cost – can you clarify that? Because on face value, for me, when I see an example, and when I see a raw score of zero under benefit cost, in my mind I want to believe there's some benefit somewhere. But what I'm asking for is clarity on can you define benefit cost.

Mr. Worley: Well, what we have tried to do here, in looking at this particular project, is that when you look at a particular cost. When you're looking at the new class one siding, you're trying to address traffic and congestion. And once again, we get back into that issue where the railroad data is simply not there to actually be able to go and put that into the model. So when we start looking at benefit cost, basically that raw calculated benefit from the data that you have, and the cost of doing the project, and that's how you come out at zero. That is something that we're hoping further down the road we can get some better data on the railroad, but again, some of that comes into our use of Tread and other models.

Sen. Hise: My first question is a little more basic, has to do with – what are the types of projects we are looking to fund with this? Because I understand, North Carolina railroads were a mixture, a large portion of North Carolina Railroad Company, which is still a private company, they do right-of-way and those kinds of things, we have CSX which runs lines all around that state that own that. Are we talking about relying on transportation funds to upgrade a route or production and then those upgrades are still owned by a private company, and profitability is still the private company's for selling those?



Mr. Worley: Well, I'll give you an example on a private company. We've had some communities where trains block crossings. And trains block crossings because they don't have sidings in a place to stage a train while another train goes around it. So, in some cases, we have done, we have three of those types of projects – Naval, Pembroke, and Fayetteville – but we've pursued those particular types of projects because it clears up downtowns, it clears up communities, and it puts the train somewhere else. At the end of the day, the railroad company owns it and maintains that improvement but it also frees those downtowns from that traffic. You could have other locations as well, for instance you could have an intermodal facility that supports a port, you could have a siding on the passenger scale that supports a service that we want to try to provide, or it can be a regional commuter service that's provided. So there are different ranges of projects that you can do, but they're all pretty much scored in these categories.

Sen. Hise: The other one I wanted to ask about is – this comes after talking about the accessibility and the employment rate. I got a little concerned when I heard that we're only going to use the highest unemployment rate in the region. Going across the state, you could have Chatham County sitting at 6.9%, picks up a little of Lee County, and now you've bumped that number up to 11.5%. But a vast majority of that project could remain in Chatham County. I think it'd be best if you could combine it based on where the majority of the impact is, more than trying to pick the highest out of a group.

Senator Harrington introduces the next speaker.

Normalization

Alpesh Patel, Senior Engineer at the Strategic Prioritization Office at NCDOT

Mr. Patel gave the committee an overview of the normalization process.

Sen. Hise: I know that you can't really give us any statewide numbers, on how much they have historically spent, 4% was the average statewide, and now the minimum for each region and division is going to be 4%. I think we're running into a quick problem; I represent one of those divisions that doesn't have any ferries, obviously, we have one regional airport, the counties tend to run the bus systems, so without railroad in some of these divisions, you're looking at now we have to spend 4% of our budget on bike paths, with a couple hundred million dollar projects coming through, there's more variation in this to say that we're going to take the historical expenditures for non-highway projects and now say that's the minimum for each division? And I think that's going to run into some real problems.

Mr. Patel: Thank you, senator, I think that's a good point. When we're applying these minimum percentages and floors for the latter two categories, the programming process will be looking at those particular non-highway projects trying to meet statewide needs. And I understand that we're trying to use a historical basis for the past investment pattern upon more regional and local projects. But we're going to be looking at how that particular non-highway improvement has a



larger impact in the state. So we understand that there may be in the programing process some areas that may not even receive non-highway improvement per se, but it's a target that's going to guide us over a five year TIP.

Sen. Harrington: I need to defer to staff for a moment.

Amna Cameron (Fiscal Research): You don't have to spend a dollar on any non-highway mode. Statewide, at the regional and division category, that's where it stays.

Sen. Hise: So any particular division does not have a minimum to operate?

Mr. Patel: That's correct.

Sen. Hise: Because I was reading this, and it says statewide there's no normalization, and it's only at the division and region, that it's combined division and region.

Sen. Harrington: Did you have a follow-up?

Sen. Hise: No.

Rep. Carney: Thank you. My question is about the non-highway formula. Is that 4%, is that 4% of the entire pot, or of the divisional or regional?

Mr. Patel: It would be a guide for the combined regional impact of division needs, because again, the statewide mobility category is 100% data driven. We're going to apply, essentially, any project score will compete against each other, highway verses aviation verses rail, in that category.

Rep. Carney: So, it's divisional and regional, not the entire pot? So was the intent to be historical?

Mr. Patel: The intent was to try to pull together as much financial data that we could to try to use some basis for the rationale of applying normalization in the other two categories, and in the time that we had, and the data that we had, that was the best solution we were able to pull forward.

Rep. Carney: So if the 4%, as you called it before, was the floor, then what's the ceiling?

Mr. Patel: 10% would be the ceiling.

Rep. Carney: I'm trying to understand this. So, if it's going on the division and the regional, rather than the pot, then it's 4%. I was under the impression that the historic rate of 4% would have been on the whole time, therefore we're now cutting it 4% to 2.4, and the funding is really being cut.



Mr. Patel: Yes, representative, I think again we understand, we simply try to take the financial information that we have; we were aware, basically, directed construction dollars statewide, we tried to apply them moving forward in this interim period as best we could. Simply with the time we couldn't parse out specifically those percentages and ratios for regional impact division needs.

Rep. Carney: Well, madame chair, just a comment. It would appear to me and someone else with more knowledge can tell, it would appear to me that we're cutting back on this particular segment in mobility long-range plan for these projects.

Sen. Rabon: Can we look at slide 3 again? Memory Lane? Historically, we have used 93% and 7%, and that's how we got to where we are. And we're deficient in bridges, but we know that revenues are decreasing and will continue to decrease. So if we're down 3% arbitrarily, then we're going to get even further behind. We released more funds and put more money to work, but we have a recommendation to put less money to work. Historically, 93% should be a bare minimum. Why argue with history? And that still gives us 7%. Do you think 90% is adequate, or is that just a number brought forward for us to debate?

Mr. Patel: I think it's a strong starting point. There's a strong likelihood that that percentage for highway investment will be higher than that 90%, similar to how it's been in the past. Again, in the programing process, our staff will use the total scores for the project as they try to create project selections with these floors and percentages, total scores will include local points along with the quantitative scores. So there's a greater likelihood for a number greater than that percent.

Sen. Rabon: If we think it's going to be higher, and we know it's been higher in the past, let's set it higher.

Rep. Brawley: I want to do a clarifying question first and make sure I'm on the same page. Clarifying question first; the idea behind normalization is we're using different criteria for each classification of project, and the idea is to weight those as if they were all judged by exactly the same criteria. Is that the process behind normalization?

Mr. Patel: In theory, yes, representative. The idea would be if we had the same criteria that were used to create quantitative scores for the six different transportation modes, we could make like comparisons between those scores. We're challenged to do that.

Rep. Brawley: And I appreciate that. Regardless of the modal type, the score would represent how well that project contributes to the ideal of providing transportation to the citizens of North Carolina. And as I've sat listening to the differences in criteria for different modes of transportation, we're not saying that with highways, build it and they will come, where with different types of projects we will try to forecast future traffic. By changing our criteria, instead of evaluating a road based on if it's a good transportation project rather than a good road, that was the intent. Now, it may be naïve to think that we could come up with unified theory for transportation, but really that was the intent. Normalization would be normalized, and we



wouldn't be sitting here trying to figure this out. What we'd do is put 100% into moving people the way they want to move, in the most efficient manner. Is that not possible?

Mr. Patel: Representative, I do think it is possible, it's on the part of the department to give us the opportunity to build a more statistically robust methodology for project normalization. There's not necessarily best practice in the country for this, but that this is going to be an important focal point for our next version of prioritization. I can stress to you that this is the best interim solution as we wrestle with the work group on how to implement normalization for the short term.

Rep. Brawley: Is it possible for us to define a wider set of evaluation criteria which are the same for all projects and minimize the need for normalization?

Mr. Patel: We would be glad to continue to explore any option that we can. We are again trying to touch base with the transportation researchers around the country to look at these types of questions.

Rep. Tine: It seems we're doing a lot of statistical analysis to come up with our final answer as opposed to asking the important policy question which is what we want transportation in North Carolina to look like as we move forward. My concern to you would be that the next steps are more statistical mining and more studies of how the numbers work out as opposed to saying this is the diversification of transportation that we need to be a progressive state to bring in business and maximize all our opportunities. I'm sorry if I used a partisan word, that wasn't exactly what I meant. Let's say "forward-thinking". That's more of a comment, but the second would be with a ten percent cap – and I'm still a little confused on our earlier conversation – with the 10% cap in our division, we could replace a ferry. But then you said that it's a problem of how you average out all the divisions across the state. How does that money get borrowed for my division to replace a ferry from one that is not using their money – how does that all get balanced out?

Mr. Patel: Again, the minimum 4% floor, for instance, for non-highways, is not prescriptive for any one individual division or region. This is going to be a balancing act that we're going to have to achieve in the programming process. As we look at the highest ranking projects, and in these two latter categories, try to find non-highway projects that meet, that have a large impact, that maybe meet statewide needs.

Rep. Iler: Is there any weight given to how many users are in each mode, specifically referring to who's paying the tab? Highway Trust Fund? Motor Fuels Tax? Highway Use Tax when you buy a car? Title fees? Any consideration toward how many people are using certain modes, as well as how many of those users are paying the tab? The exception would have to be freight, and there are other ways of paying for some modes, the ferry, the Jeter bill, the budget outlines the future possibilities of paying of ferries. But be that as it may, just this fund, are we weighting it from the users and/or the users that are paying the tab?



Mr. Patel: Again, representative, I think we will pursue as much of an innovative approach as possible. I think the idea of hiring an independent consultant will give us the option of looking at things like number of users along with the quantitative approaches of each of the modes as they're brought to the table. But again, that's something that we're going to work aggressively towards in the near future.

Rep. Jeter: There's nothing that is going to better determine the failure or success of House Bill 817 than this process. 817 to me was how you put pots of money together. The normalization is how you allocate the spending of those pots of money. And the frustrating part as I hear is that we've been asking, repeating, the same kinds of questions and the only responses we get are "we're going to work on it". And, at some point, we're tasked by the General Assembly to respond back to our colleagues that we accomplished what we're tasked to do. And if we don't come up with some sort of idea, of whether it be 90/10, whether it be 93, whether it be 96, I think we're going to fail in our job. And one of the real weaknesses I see in this is we come up with one size fits all solution statewide for regional district money. The needs of Charlotte-Mecklenburg's MUMPO are different from another area of the state. So, I almost wonder if there's not flexibility at the region and district level rather than having it the same all over.

Sen. Harrington: Thank you for your comments, and that's we're going through this process, so that we can get everyone's comments and concerns. And I definitely think that this is a concern area of the committee, and we'll put it on the list. We have one more question and then we'll move on.

Sen. Hise: We've put some priorities out there that we've talked about, looking at congestion areas, safety of individuals, how to prioritize projects, and I know there's a lot left to be done. But how does normalization not just go back to we've already spent 4% so let's continue spending 4%. The whole idea was to get away from what people want; selective, groups, individuals all across the state who have some priorities about what they want in their area versus what the needs of the region and the state are regionalism, and it looks to me like this normalization process goes back to what we were doing previously. I understand it's an interim step, but this can't last very long. This is counter to everything we've put together in this transportation package.

Sen. Harrington: Thank you for your comments.

Sen. Harrington introduces the next speaker.

MPO/RPO Process, Submittals, Scoring, and S.L. 2012-84 Implementation

Don Voelker, Director of Prioritization Office, NCDOT

Mr. Voelker provided the committee with information on local input via the MPO/RPO Process, submittals, scoring, and implementation of S.L. 2012-84.



Division Engineer Scoring and Process

Mike Holder, 12th Division Engineer

Mr. Holder provided the committee with information on local input via the division engineer scoring and process.

Rep. Dollar: Comment for Mr. Voelker; in looking through the last two handouts, I may be confused about this, but it does seem to me that there's been quite a shift in authority to the division engineers in this process, vis a vis the MPOs and RPOs. I've heard various percentage numbers shifted around. I would like y'all to comment about that because it raises lots of concerns in my mind. I think there's certainly a concern on my part in terms of having that locally, what really flows locally from elected officials, as it flows through the MPOs and RPOs. Could you comment on that?

Mr. Voelker: I look at it as under the STI law, it's in a regional category, it's 70/30, so it's 15% MPO scoring, 15% division scoring. And in the division category, it's 25% by the MPO or RPO, and 25% by the division. So it's saying it's an equal partnership. Now, compared to P 2.0, in the regional category, it was essentially an equal split there also, an equal partnership. But at the local level, back in P 2.0, those secondary roads – and remember, those were only eligible under the regional tier in P 2.0 – scoring was 30% by the Division Engineer, and 40% by the MPO or RPO. So, there was a 10% difference in the scoring, so I don't know if I would call that a significant difference, but there is some difference in it. Does that answer the question?

Sen. Harrington: We can come back to you if you'd like to think about it.

Rep. Dollar: In part, but it's also a larger question.

Rep. Jeter: Question. What are MPO and RPO votes? Is that a dictation of federal law, or state law, on the way it votes in the MPOs and RPOs?

Mr. Voelker: It is not a federal requirement, it is something that the Strategic Prioritization Process developed actually back in P 1.0, when we first got into strategic prioritization, we developed a process whereby much of the scoring would be based on data, and other scoring would be based on how local MPOs and RPOs valued a project. It's a function of the process the department developed.

Rep. Jeter: My question is less about the 25% for MPOs and 25% RPOs but more at the MPO and RPO level. Let's say an MPO is going to make a decision on what criteria they're going to use. They're going to vote on that criteria. That is currently a weighted vote. And my question is, is that done by federal or state statute? Does the state have the ability to change that?

Mr. Voelker: It's actually a function of the state law – the 2012 implementation law – that required it.



Rep. Iler: First thing is the – well, two concerns – I believe the MPOs are federal designations; I wondered the same thing you’re wondering, if that actually answers your question about federal requirements for MPOs. I have an MPO that comes across the border from Myrtle Beach. And I’m going to find out off the record how that could be happening. Concerns about the 25% and 15%, that’s the biggest question, I think. You’ve got a division engineer who has the credentials, been there 12 years, knows the area, knows the people’s needs, the perfect engineer. And you got another engineer who showed up 6 months ago and doesn’t know all the little municipalities, I’ve got 19 in my county, and some compete with each other, some compete with Wilmington, and it’s a complicated quilt of MPOs, RPOs, and division engineers. My question is why, a division engineer, who is one person has the same weight as all the MPOs and RPOs in the division?

Mr. Holder: We had a lot of discussion about local input and split in percentages during the workgroup, and it was a consensus decision based on the representatives from the RPO and MPO in the workgroup, and they felt comfortable with the division engineer having half of the score matrix. We also had a large discussion about just how those points would be assigned, how they’re going to work together, so the division engineer is not going to make this decision; in fact, we plan on sitting down with the RPOs and the MPOs individually and collectively and coordinating and collaborating what our scoring process is going to be with those RPOs and MPOs.

Rep. Iler: Would it be a true statement to say that the workgroup was heavily weighted in the voting membership toward DOT?

Mr. Voelker: The membership of the workgroup did only have 22 members of the workgroup and there were 3 members from the MPOs and 3 members from the RPOs, and I want to let you know, sir, that every decision that was made was made by consensus. Never did we have to take a vote on any of these recommendations that you have heard today. And consensus, of course, means that everyone agreed with the concept or the decision. It didn’t mean that they were in 100% agreement, but they could live with it. So the message I want to give is that clearly the consensus was that there was agreement on the equal split, equal partnership.

Rep. Brawley: Actually, Rep. Iler’s questions set me up perfectly as we wrote and sponsored the bill along with Rep. Torbett. When we were using the phrase local, I at least was not aware of P2 and the splits, and I didn’t envision that, and I think that the question that is creating a problem for it is that the division engineer, which is an employee of NC DOT, is he a local guy? Or is he a state guy? Or a local person or a state person? I know that the division engineers have seats in the MPOs because I’ve heard that we’re now going to have two in the Charlotte-Union-Lincoln-Catawba-Iredell MPO, and some of us that were not conversing with the P 2.0 were actually surprised that there was an expectation that the division engineer would be half the local input. It was our sense that you would be informing 70% and 50% which respectively would be the state’s share and then also that you wouldn’t provide influence to the MPOs and RPOs and their respect for you would give your advice to them great weight. But it was still our understanding that local people who reported locally was the intent of 817 because quite



candidly, if General Tata calls you up, and this is what we're going to do, then I'd expect you to say, "yes sir, that's what we're going to do." I'm not sure if he gets that kind of respect, but I certainly hope he does. So I think some of the kickbacks you're getting is from those of us who have not been, so basically, we came into this as a blank slate without a preconceived notion, and so we weren't seeing this as an update to 2.0, we were seeing this as 30% of the votes in the local area, and 70% from the people from the state.

Sen. Harrington: OK, thank you. I'm going to defer to Amna.

Ms. Cameron: Would the Secretary like to respond to that?

Sec. Tata: The matrices, as they're laid out, the projects that are submitted, are going to be evaluated based upon the data, as you've seen in death by PowerPoint today, that our staff has worked very hard on, so we're trying to be as diagnostic as possible, let the data drive it, so, I would frankly never make that phone call, and say "do project x".

Rep. Brawley: Just as a comment to the Secretary, my dry sense of humor, unfortunately, you know, when I was just Bill Brawley, I could make jokes, and it would be just great, but there's this guy Representative Brawley who's around and always messing up my fun, I would like to state categorically that I meant no disrespect to the Secretary, I have absolute respect for your integrity and the way that you serve the state.

Sen. Harrington: Thank you, Mr. Secretary, for taking that question. We have two more in the queue and then we're going to try to move on.

Sen. Hise: I actually think this is a very good system, dividing it between the engineer and the MPO/RPO, provided that these criteria are justifiable and documented. And I think that's kind of the next step of it – we need to know, coming through you've assigned not 100 points to 40, we need to understand how it met the safety requirements, so that the congestion reduction and others, will be submitted with that information, and how that's consistent with public hearings. I would be concerned if I thought it was a process where the Secretary called up and that's how it got its points, I'd be concerned with that in the MPO/RPO process, that somebody just picks up the phone and calls and that's how they get their points. So where there are justifications, that's something I would really want to look at. The other one I wanted to say is that goes back to the MPO/RPO process. Were there other options with that, with giving points with MPOs/RPOs other than just population. There is, most of these tend to be geographically similar sizes, they have variances in number of road miles, and other things, just to start throwing these divisions out and start saying if you've got a huge part of the state, with a light population, you've got a huge part of the state to govern the roads. What are some other options than just saying population?

Mr. Voelker: Yes, the work group did look at road miles, and looked at geographical area, and it always seemed to come back to the question, who are we trying to serve? How many people are we trying to serve? It seems like, from what I recall, that what the work group focused on, is the



number of points based on the population numbers. Again, the number of points that are available are very important because if we gave everyone 10,000 points, for instance, you're really diluting the process, you're really dilute while we have those points.

Sen. Hise: Here's what I'm trying to address. The process of going to that big a difference between some having 2.5 times the points, if they were just evaluating projects in their districts, then we wouldn't want that. But now we have situation where they can also send them on projects in other districts, you could literally have, there are districts in this state that have more influence than, not saying they would, but they could have more influence on my district than my own district would because they have more than that number of points to send over. I mean, hopefully we wouldn't get into that, but there's a huge difference between starting with a minimum of 2,500 and how we kind of spread that out.

Mr. Voelker: The point transfer was also allowed in P 2.0 and there were only 40 transfers between divisions or in MPOs and RPOs, so it is used, but I would say that when you think about all of the opportunities to change or transfer points, there was not that many.

Rep. Torbett: I was going to ask the senator, I was following him, and I lost him in his last part when he was talking about more than his district –

Sen. Hise: You districts that have only 1,000 points. You have another district in this state that has almost 2,500 points.

Rep. Torbett: Based on population?

Sen. Hise: Yes, based on population. And they can assign those outside the district. They have more after they've assigned their first 1,000, and they have more leftover to move into another district, than that district has to assign to itself.

Rep. Torbett: Based on population?

Sen. Hise: Yes.

Rep. Bumgardner: Mr. Voelker, on page 6 in your handout, it shows here that you have a wide range of methodologies, most large MPOs have data-driven, only a limited number of RPOs has that, data-driven, you had some trouble there and I think the system you're implementing now will improve that. What do you think?

Mr. Voelker: We fully expect that it will. Yes, I think that's right. This is to help bring all the MPOs and RPOs up to some basic understanding and methodology that we can consider to be data-driven, and include openness, transparency, and public comments.

Sen. Harrington introduces the next speaker.



Workgroup Feedback

Tyler Myer, President of NC Association of MPOs, Transportation Planning Division Manager,
Greensboro Urban Area MPO

Patrick Flanagan, President of NC Association of RPOs, Eastern Carolina Council Planning
Director, Down East RPO

Mr. Myer and Mr. Flanagan provided the committee with a presentation on workgroup feedback.

Sen. Harrington opens the floor to questions.

Sen. Harrington introduces the next speaker.

Moving From Prioritization to Programming

Mr. Calvin Leggett, Manager of Program Development Branch, NCDOT

Mr. Leggett provided the committee with a presentation on to process of moving from
prioritization to programming.

Sen. Harrington opens the floor to questions.

Sen. Harrington introduces the next speaker.

Implementation Schedule and Prioritization 4.0

Mr. Don Voelker, Director of Prioritization Office, NCDOT

Mr. Voelker provided the committee with a presentation on the implementation schedule and the
process of prioritization 4.0.

Rep. Torbett: In addition to that, at the same time, you're paralleling effort with current
program, so the drop dead date of the old funding model would be January 15? So that transition
won't end then?

Mr. Voelker: That's correct.

Rep. Torbett: And everything's still moving forward under the current plan?

Mr. Voelker: That's correct. Projects that are scheduled for construction between now and July
1 of 2015 will continue.

Sen. Harrington introduces the next speaker.

DOT Board Process and Engagement

Secretary Tony Tata, NCDOT



Edward Curran, Chair, NC Board of Transportation

Secretary Tata and Chairman Curran provided the committee with a presentation about the DOT board process.

Sen. Harrington opens the floor up to questions.

Sen. Harrington introduces the next speakers.

Discussion; Recommended Changes or Approval of STI Methodology

Amna Cameron, Senior Fiscal Analyst, NCGA Fiscal Research Division

Giles Perry, Counsel, Research Division

Ms. Cameron and Mr. Ball provided the committee with a discussion of recommended changes or approval of STI methodology as discussed in the meeting.

Mr. Perry: The statute does provide that, after this consultation occurs, that the Department has until October 1 to respond to that, so I believe Amna's going to summarize the suggestions that were heard.

Ms. Cameron: We've made two lists, the first are follow-up items. Senator Rabon requests examples of project scores for highways, along with an example of the straynet route. Senator Hise requested definitions for highway crash density, the severity index and critical crash rate. Senator Hise requested a list of cities with approved bike plans, and Senator Rabon requested access to the bike/ped crash database. And there's also a question from Representative Dollar on the access variable in bike/ped to understand how a divided greenway will score. The major issues, though, are those that you will be talking about now. These are some areas where you may consider asking DOT to change the formula. Now, I will say that as there is some time given, there is one of these areas that concerns me because it deals with the back-end IT system. So if you make significant changes to the accessibility and connectivity, there's not much wiggle room, we'll likely be delaying implementation of this law, because this is a computer issue. That would require more time to implement. So, first, I will review these issues, then Giles and I will lead you through these decision points. First is whether you should require accessibility and connectivity be added back to the original or division categories; the second item is whether regions and/or divisions should be allowed to form their own highway methodologies. Third one brought forth I have marked as a minor issue, Senator Hise asked for the Department to examine using the unemployment rate in the accessibility category under rail. Fourth, Representative Brawley brought up a great point, something that may be very valid for 4.0, I think we decided that this is too complicated; it may make sense to look at something like connectivity and accessibility and congestion across all modes, and rework those to be a little more simple and have more uniformity between the modes. Next, moving on to normalization, again this is the 90% minimum for highway and the 4% minimum for non-highway. Last is the 50/50% split between local input with the division engineers and the MPOs and the RPOs. We will begin the



discussion with accessibility and connectivity. I have, for your information, going back to this slide, they gave you three options, it is the department's recommendation that if you choose to direct them to add back accessibility and connectivity, that you choose option 3. Now, as Mr. Voelker told you, you had four staff members who were active in this workgroup, and we can attest that this was a very heated discussion, and there were several reasons why the workgroup decided that this was not developed enough, and to be honest with you, one of the main issues was that this divided the rural and urban areas, and that was the overarching concern. Would you like to begin discussion on whether this item should be looked at in more detail?

Rep. Carney: I'd like to thank the Secretary for his comments about certainly supporting connectivity and accessibility. I agree with Representative Brawley, it is an issue, and to me, it was part of the original bill that we discussed in committee. And I appreciate Ms. Leonard, as she spoke on her presentation about mobility development. She also talked about connectivity, and I'm not sure about which one these – you're saying option 3 – I think that's a good approach to start with, but I do think, in going forward, we develop fewer moving into P4, I think we have to have that, people getting to jobs on non-provisional, non-road ways is a big issue that's out there. I don't think connectivity is more important than accessibility.

Rep. Tine: Along the way, I've tried to point out a lot of concerns I've had in regards to rural/urban and how they're balanced out. And to me, the formula is out of balance as it stands right now, however, if I'm understanding correctly, there is a concern that may influence more towards rural communities, is that what you're saying?

Ms. Cameron: This option, if you choose to direct this, favors the rural areas.

Rep. Tine: I like it.

Rep. Dollar: Well, just out of curiosity, regarding options of accessibility and connectivity, is option 3 the one that most favors rural areas? In what way does it favor rural areas?

Mr. Wasserman: That is a great question, out of the three options, as I mentioned, there were concerns with the first two options promoting urban sprawl, there were concerns with the options not giving enough answers that seem to be correct, intuitive answers, and so because of the issues that were associated with options 1 and 2, option 3 seemed to be simplest one, easy to understand, but to answer your question, I don't know that it specifically is the most favorable to rural areas. It's probably the easiest to understand and most intuitive in bringing people to those job centers.

Rep. Dollar: Probably just my lack of understanding, but I've got plenty of folks in my district, which most would consider suburban, possibly ex-urban, that are 20 miles outside of an employment center, depending on what you would consider the employment center, so I would consider the employment center to be RTP, or if you consider the employment center to be downtown Raleigh, most of my district is 20 minutes outside of that. But folks would probably not consider my district to be rural – ex-urban, maybe, but not rural. Is that what you're talking



about? What's your definition of rural, and what's your definition of what actually constitutes an employment center? Is the employment center a broader area, or a narrow area?

Mr. Wasserman: We're not actually defining urban and rural, we're defining where the job centers are located, and those are based on the census blocks, 2,500 or more jobs.

Rep. Jeter: Are we deciding whether or not to continue to study, or just basically to put accessibility and connectivity back in? Or are we deciding which of these three options to put back in, or both?

Ms. Cameron: I think the first step would be, question one: do you want to tackle this in 3.0, or are you willing to let the department do more work and investigate this and add it to 4.0.

Rep. Jeter: Then, instead of getting into a debate between the three options, let's see if that flies first.

Ms. Cameron: May I have an informal show of hands of members who would like for this to be investigated now?

Rep. Torbett: I'd like to just add a comment here, we have an October 1 date, we make some question for DOT, and there's no date after that, correct? The 4.0 is due two years from now, this is 3.0, we have some questions, we have some needed responses, I asked Amna, could we use the Bill Gates formula that instead of doing a 3.0 and a 4.0, can we do a 3.1, 3.2, 3.3? And kind of, as we go, get some of the finality we need and some of these questions answered. I think I got a yes.

Ms. Cameron: I think we'll an option like what Representative Torbett is proposing. These – 1.0, 2.0, 3.0, 4.0 – are handled on a two-year basis. And what Representative Torbett is asking for is if the Department can move toward a 4.0 or 3.1 in a one-year timeframe to address some of these issues.

Rep. Torbett: Well, let me be as explicit as humanly possible. Say we work from now through say the beginning of short session to solidify and fix these questions. If you'd like to call it an update at 3.1, it would be an update of the connectivity, for example.

Ms. Cameron: That would be very difficult, seeing as these are IT issues that are being worked on behind the scenes. All of this has to be input into the system, projects are due in January. These scores will go into place in February, so there is not time. You can delay this a year, but you can't do this in a six month or shorter time frame.

Rep. Tine: It seems like we will need – I mean, if we have a meeting next week, this is a huge question that you're asking us, some options, and y'all said it was a huge question when you presented, and said we're really uncomfortable with it, we're having a hard time defining rural, we're having a hard time defining centers, I've got a personal issue with 20 minutes, closer to 45,



because that's the distance that people travel in our district to get to jobs, so there's a lot of complexity to this, that you're asking us to make the decision at this moment, and I mean, we could shoot from the hip and make poor decisions, or if there's any opportunity for us to meet and ask some questions and come back, I know we've got an IT issue, but I don't think the future of how we fund transportation should be dictated by IT issues.

Ms. Cameron: If I may, respectfully, keep in mind you had 30 experts in a room every single week for three weeks, and this was an item that they got stuck on. I don't think having another meeting is going to help resolve this issue. This is going to take an in-depth study to implement this study in the most reputable way.

Rep. Tine: But you're asking us to make a decision with regards to how we're going to operate over the next two years, correct?

Ms. Cameron: Or, speeding the process up to a year, or yes, tackling this and delaying the implementation of the law. That is a major issue that is being put before you. I'm sorry.

Rep. Iler: I'm not sure I understand the question before the House right now. The first time, it was going to be back, by my best recollection, to be 20 minutes, but Representative Tine, 20 minutes is almost not a commute where I live, if you've got a job off the island. I commuted to Wilmington an hour each way. I think make a decision on what is such a key issue and again, Representative Tine, and at the end of the day, unless a few minutes of what's being presented to us, is almost foolhardy. It needs more thought than this. So let's meet next week. But I have another question on balance. I got a list of the 25 voting members of the workgroup, and I'm sure they're experts and wonderful people, and know a whole lot about the subject, but I've identified between 6 and 8 who might be, as far as their residence, outside of the Piedmont area, and I wonder if more representation for outside the Piedmont might be good. I know more than 25 is probably not an easy number to work with, again, the experts in each of the divisions and they would obviously mostly be located in Raleigh. Just the balance of any input, since there are no legislative members other than legislative staff, I just wonder about the balance, and/or should we depend upon the balance for transportation, or to be a solution for the whole thing, if they're actually involved with this, so just a question about the balance on the workgroup.

Ms. Cameron: To clarify the technical corrections, I did have a significant change to the workgroup make up, because there were concerns at that time that there was too much of a DOT influence. It requires more local involvement going forward, it sets a minimum that DOT can choose to go over, 4 for an RPO or MPO, they could take Tyler Myer's suggestion and add public transportation, local like TTA or CATS, to the Board, and then it says of all workgroup members, DOT can only be half of those. So that's what the law directs for 4.0, if that alleviates your concern.

Rep. Carney: With all due respect, for everyone who's work on this for 30 some meetings, we're the policy makers in this state, and this is our first time hearing this. And I'm not sure I'm



willing to come back for another meeting before this October 1 deadline, am I hearing that we cannot do that? I'm asking the chairs.

Sen. Harrington: We can set a meeting. That's up to us to decide, whenever we want to.

Rep. Carney: I just think we would all feel more comfortable. I was okay with option 3, just throwing it out for discussion, and before I heard this, I know that everybody wants to move us forward, but I do think there are some valid questions that we need a little more time to decide and talk about them among ourselves and maybe come back before October 1.

Rep. Gifford: I agree with Representative Carney, we should look it over and think about it, and maybe we could come back next week, if the chairs don't mind if we meet again. Some of this stuff, I just learned about today, it's the first I've heard about some of this.

Ms. Cameron: There are many issues here. I think from a staff perspective, I would like to get a decision on accessibility and connectivity so that if that does need to change, then you will know that the IT system will be affected. The other changes that you will consider could easily be postponed into the week. By the law, you said you would give final input for changes by the 15th of this month. That's what was in the law, that you would have thirty days to give comments. So, I will again open up the question. Secretary Tata would like to speak.

Sec. Tata: I just wanted to say that the Department will support whatever the decision makes, and if you want to come back, if you need time to consider the information, or a week or two, we will then work very hard to find answers and solutions, and come back and present them to you.

Sen. Harrington: I think we all appreciate that.

Ms. Cameron: So, with that, is there a decision that this committee will meet, let's say, next Tuesday and take up these issues. Or do you want to come back, or let's just have an informal raise of hands, who wants to continue the discussion on accessibility and connectivity for changes?

Ms. Cameron: A tie, according to Giles, means it fails. That's what a tie means in the legislative world.

Sen. Harrington: Well, because we're getting feedback from the committee for the first time on this, our staff has been kind enough to help walk us through, and we don't have to really technically take votes, we actually have, I believe, according to Giles, fulfilled our duty by having them come in and present to us. What we're here to do today is to give DOT and the workgroup feedback and that's where we are now, what feedback do we want to give them and what do we want them to come back to us with.

Rep. Tine: Would it be appropriate then to say that all three of those options is, in regards to feedback, to ask the rest of the group if they agree with my personal assessment, that all three of



the options give us great concerns, and we don't feel like we share their concerns, and we would like to see some adjustments to that formula. I mean, if we're not going to come back and meet, then I've got to give my input and my input is that I have concerns with all three of them.

Rep. Jeter: Does staff have a recommendation?

Ms. Cameron: There is not consensus here. The next workgroup meeting is two Mondays from now. Let the workgroup talk about this, see if they can find any solution, although I don't think there will be consensus still to come back with you, that's a way forward, it doesn't solve the issue, but I think they need to better clarify why this wasn't feasible to do, but identify that they wanted to do this, they just couldn't find a way yet.

Rep. Jeter: How do I vote to make sure that happens?

Rep. Torbett: One of my largest concerns is that the amount of data we received today was gargantuan in size. We have narrowed those, that gargantuan task, to actually quite a small amount of questions and answers, and what I think I'm hearing from my colleagues is that most sides, Senate and the House, is that now that we've narrowed those questions down, it's gone from broad down to very, very minute, they want an opportunity to come back and talk about those very little minute things, at a time, I heard, next week. And then I think, very possibly, we might have that resolved by the end of next week. And if by some slim chance it isn't resolved, then I've already spoken to the gentleman from Greensboro, that the ones we can't figure are resolved, pass them to the workgroup, and say, fix it, bring it back, and off we go. That's my recommendation.

Sen. Rabon: I think we are coming from the same tack there, Representative Torbett, it seems to ricochet off the wall. It was my impression that the purpose here today was to hear this presentation and then express our concerns to the workgroup, and to say, take this back to the drawing board and come back to us. That was my impression, but then again, I could be wrong.

Sen. Harrington: Is anyone interested in making a motion that we come back next week, and we give all the things we have concerns about to DOT and the workgroup, and let them bring it back to us next week?

Sen. Harrington: Any further comments from staff, committee? I'd like to thank everyone, for all the members who spent their whole day with us, Secretary Tata, Chairman Curran, meeting adjourned.



There being no further business, the meeting adjourned at 3:54 p.m.

Sen. Kathy Harrington
Presiding

Robert Jansen, Committee Clerk